CAPTION SHEET



1. REPORT DATE: 00/00/00

2. BUREAU: LAW

3. SECTION(S):
5. APPROVED BY:

DIRECTOR: SUPERVISOR:

6. PERSON IN CHARGE:

8. DOCKET NO: I-00040103F0002

4. PUBLIC MEETING DATE: 00/00/00

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7. DATE FILED: 12/30/05

: 9. EFFECTIVE DATE: 00/00/00

PARTY/COMPLAINANT: INITIAL STAKEHOLDERS MEETING

RESPONDENT/APPLICANT: NATURAL GAS CHOICE/COMPETITION ACT

COMP/APP COUNTY: UTILITY CODE: 999999

ALLEGATION OR SUBJECT

NATURAL GAS CHOICE AND COMPETITION ACT, INITIAL STAKEHOLDERS MEETING.

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COMMONWEALTH OF PENNSYLVANIA PENNSYLVANIA PUBLIC UTILITY COMMISSION P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE REFER TO OUR FILE

December 30, 2005

To: ALL INTERESTED PARTIES

Re: Natural Gas Choice and Competition Act

Initial Stakeholders Meeting Docket No. I-00040103 F0002

On October 6, 2005, the Pennsylvania Public Utility Commission issued its "Report to the General Assembly" ("Report"), thereby concluding its investigation into competition in Pennsylvania's retail natural gas supply services market. After extensive review of the record, the Commission determined that there is not "effective competition" in the retail natural gas supply market on a statewide basis at this time. *Investigation into the Natural Gas Supply Market: Investigatory Order and Report to the General Assembly*, order entered October 6, 2005 at Docket No. I-00040103, p. 4. As required by the law, the Commission must convene the Natural Gas Stakeholders Group to explore avenues, including legislative, to increase competition. *See* 66 Pa. C.S. § 2204(g).

In its Report, the Commission identified a number of barriers to market entry and market participation for suppliers and customers along with other related issues. *See* Report at pp. 66-77. Accordingly, the Commission has asked that Stakeholders examine the issues discussed in the Report, and to develop recommendations regarding changes that need to be made to the market structure and operation, the Public Utility Code and Commission regulations that would enhance competition. Order at p. 5.

The purpose of this letter is two-fold: (1) to schedule the first meeting of the Stakeholders as a working group to recommend possible solutions to enhance retail competition; and (2) to preview the general plan for the meeting process so that the group can complete its work in an orderly manner.

Past experience with Commission working groups has shown that using subgroups to deal with a specific set of related issues and using Commission staff to facilitate and coordinate the subgroups' work products is an efficient way to manage and solve multifaceted problems. Because of the number of issues identified in the Report, use of this subgroup approach seems reasonable. Therefore, Commission Staff will tentatively sort

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related issues into categories that will be assigned to subgroups of the Stakeholders Working Group for study and recommendation.

As to scheduling, by January 20, 2006, Commission Staff will send a notice to Stakeholders announcing the tentative subgroups. Recognizing that some overlap of issues may occur, the notice will request feedback on the issues assigned to each subgroup. The notice will also request volunteers to participate in the subgroups. Stakeholders will be asked to respond to this notice no later than February 17, 2006.

The initial Stakeholders' working group meeting is tentatively scheduled for Wednesday, March 29, 2006 at 9:00 a.m.,, Commonwealth Keystone Building, Hearing Room 1, Harrisburg, PA. The meeting date, time and location will be confirmed in the January notice to Stakeholders. It is anticipated that a general session will be held in the morning, and that, in the afternoon, Stakeholders will meet in subgroups to begin their work.

Please direct any questions regarding this letter to Assistant Counsel Burket at (717) 787-3464.

Very truly yours,

James J. McNulty

Secretary

cc: Karen Oill Moury, Director of Operations
Bohdan R. Pankiw, Chief Counsel
Robert F. Young, Deputy Chief Counsel
Patricia Krise Burket, Assistant Counsel
Robert A. Rosenthal, Director, Fixed Utility Services
Mitchell Miller, Director, Bureau of Consumer Services
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